

# INSIDE RETAIL



For a complete listing of the 300+ retail chains we currently represent, see page 8. For details regarding their stores and expansion plans, see our website: [theretailconnection.net](http://theretailconnection.net)

## FULL SWING

by STEVE LIEBERMAN, CEO and ALAN SHOR, President



STEVE LIEBERMAN CEO

The course we have been on the last couple of years has certainly been interesting. However, always exciting, as we remained fixated on the continued growth and success of our enterprise, team, clients and partners. 2022 was one of the most successful and transformative years in The Retail Connection's 19-year history as our business came together full swing. We refined our game, adapting and capitalizing on the evolving dynamics of the retail real estate industry, elevating the various roles we play and courses we play on.

As always, we stayed focused on retail, while at the same time remaining open for opportunities to leverage and extend the reach of our various platforms. We advanced our business development efforts and capital relationships and enhanced our market intelligence, the quality of our deal flow and processing power, enabling us to provide superior representation and investment opportunities for our team. As we do every year, we planned for what the year would look like, lined up our shots and made the investments necessary to both reinforce and adapt to the current economic cycle, knowing that some of the terrain could have us hitting out of the rough from time to time. We implemented innovative changes across all of our business lines, while at the same time adding the talent necessary to meet our opportunities and drive meaningful results on all sides of our business.

Consumer spending remains one of the primary drivers of our economy's growth and retail has continued to perform relatively well despite high inflation (peaking at 8.26% this April) and the fastest growing interest rates in decades with the Fed taking its benchmark rate from 0.75% to 5.25% over the past 14 months. However, the rates have led to locked-up credit markets and higher equity requirements that are challenging real estate transactions, valuations and the pace of many projects. Further, the almost \$1.5 trillion of debt coming due by the end of 2025 will certainly have a domino impact on retail assets. That said, as always, with challenges come opportunity and this will present well positioned and capitalized real estate players with unique opportunities.

It appears the actions by the government are working as the Fed intended, the economy is losing momentum, as the most recent annual rate of inflation is 4.93%, and it is looking like we will have a moderate recession later this year. However high, albeit moderating constructions costs, the tight supply of space due to constrained development and high absorption rate for existing space continues to put upward pressure on rents. All said, one finds what they are looking for, and as such, we are continuing to tee up new initiatives and strategic investments to expand our multiple platforms and play to our strengths. Two of those strengths are our deep experience in the entertainment space and with ground up development-- where we have made investments in a number of concepts, including Home Run Dugout, TOCA and Good Surf, and activated numerous, single tenant build-to-

suits, including two Topgolf developments and three 100,000 sq foot plus shopping center two developments, with our Mansfield, Anna and Manor (Austin) projects.

All in, with outstanding support from our team, we solidly hit shot after shot completing over 750 deals in 2022, for approximately \$900 million dollars in consideration, bringing our historical total to over 12,000 transactions. With our over 300+ retail and restaurant clients, 30 million square feet in project leasing assignments and 4.7 million square feet of owned properties and/or development and acquisition projects in the pipeline, we continued to take care of our existing clients and projects while engaging with new ones. This enabled us to drive strong results, including adding high-profile transactions for long time retail clients, including Topgolf, Best Buy, Costco, JoAnn's, Life Time, Kohl's, Nordstrom and PetSmart and new clients — from Black Sheep Coffee and VooDoo Donuts to the Container Store, Buc-ees and Tesla.

Our project leasing teams added 70 new listings, our tenant teams added 63 new accounts and property management added 17 new assignments. We had a record year for our Property Management division, with volume increasing 19% over 2021 and the expectation that 2023 will be even better. Brokerage had a production increase of 35% in 2022, on top of the 43% increase we saw in 2021, resulting in the highest per broker production we have ever achieved.

Despite stiff headwinds in the capital markets last year, the investment side of our business also drove terrific results, selling six of our properties in 2022 (five of which we activated during the pandemic), for a blended ERM of 3.04 times our invested dollars and an unprecedented IRR of 154.9%. As well, we activated five more projects, further extending the reach of our client's expansion programs through our development group and our National Build-To-Suit platform with multiple projects across the country. On the Merchant Banking front, we exited two of our portfolio companies, selling them to publicly held national retailers, which resulted in an equity multiple of four times our invested dollars and we made new investments in three more consumer-oriented operating companies, bringing our total number of operating company investments to 25 to date.

We are always going to hit some shots we wish we had back, however our collective efforts resulted in an outstanding 2022. We met the market's dynamic changes, challenges, and opportunities, and as a result, 2022 was a solid year for TRC. And based on the progress of our game and how we have started 2023, this round should be even better. So, golf puns aside, we want to sincerely thank our team, clients and partners for all you do year in and year out. As always, we are proud to be part of our community of dealmakers, innovators, and creators, as we look forward to connecting soon and our continued opportunities ahead.



ALAN SHOR PRESIDENT

# TRC RETAIL REPORT | EXPANDING

## COMPREHENSIVE SERVICES

### BROKERAGE

tenant representation  
project leasing  
general brokerage  
surplus property dispositions

### INVESTMENT

acquisition  
development  
strategic capital  
merchant banking

### ADVISORY

expansion strategy | tenant  
merchandising plans | property  
retail operations

### MANAGEMENT

property management  
asset management  
construction management  
marketing services  
corporate services

## 2022 RECOGNITION



### DCEO AWARDS

DFW’S Best Retail Lease or Project: Stanley Korshak  
| Steve Lieberman & David Fazio

Commercial Real Estate Broker of the year: Finalist |  
Steve Lieberman

Alan Shor named Dallas 500



### REAL ESTATE FORUM

Max Chanon recognized as one of the 2023 Retail  
Influencers



### DBJ AWARDS

Ranked one of the largest CRE Brokerages,  
Tenant Rep, and Property Management Firms



### ABJ AWARDS

Ranked one of the largest CRE Brokerages  
and Property Management Firms



### HBJ AWARDS

Zac Hoffer named Houston’s #1 Heavy Hitter



### SBJ AWARDS

Ranked one of the largest CRE Brokerages

2022 TOP  
producers

STEVE LIEBERMAN  
DFW

TERRY SYLER  
DFW

BRANDON TRIMBLE  
DFW

STEVE GREENBERG  
DFW

LASATER MILLER  
HOUSTON

LUKE WILSON  
DFW

JOHN MATHES  
DFW

ANDREW SUDDERTH  
AUSTIN

ZAC HOFFER  
HOUSTON

THAD BECKNER  
DFW

CHRISTOPHER GIBBONS  
DFW

MAX CHANON  
DFW

DAVID STUKALIN  
HOUSTON

MICHAEL THUM  
DFW

TONY FILLEY  
DFW

STEPHEN TOU  
HOUSTON

SUSAN RIDLEY  
DFW

PAUL COOKE  
DFW

MITCH TRAUB  
DFW

LANE ZIEBEN  
HOUSTON

SHELLEY TAYLOR  
DFW

JAMIE STREETER  
DFW

LANCE MORRIS  
AUSTIN

SARAH LAMB  
DFW

BRANDON BRAWNER  
DFW

NICK ALTOMARE  
SAN ANTONIO

MICHAEL GARANSUAY  
SAN ANTONIO

JILL TIERNAN  
DFW

DENNIS LEIBOVITZ  
DFW

KENDALL IBSEN  
DFW

MILES HOISINGTON  
DFW

one focus. unlimited possibilities.

SHERMAN HINKEBEIN  
SAN ANTONIO

JOHN MATHES  
MOST DEALS

JILL TIERNAN, SUSAN RIDLEY  
BEST LISTING

SAMANTHA MCCAY  
BUILDING BLOCK

CHARLOTTE SCOTT  
CORNERSTONE

RACHEL WOODMAN  
ROOKIE OF THE YEAR

MATT WILSON, CLAY PICKERING, REL COOPER, BRANDON TRIMBLE  
BEST INVESTMENT

2022 SPECIAL  
awards

## NEW LANDLORDS



## NEW RETAILERS



## TRC promotions

MATT WILSON  
MANAGING DIRECTOR | RE INVESTMENTS

CLAY PICKERING  
MANAGING DIRECTOR | RE INVESTMENTS | CAPITAL MARKETS

REL COOPER  
DIRECTOR | REAL ESTATE INVESTMENTS

LEYDI HALL  
PROPERTY MANAGER

SARAH LAMB  
VP | BROKERAGE

LANE ZIEBEN  
SVP | BROKERAGE

STEPHEN TOU  
EVP | BROKERAGE

LASATER MILLER  
EVP | BROKERAGE

ZAC HOFFER  
EVP | BROKERAGE

BRANDON TRIMBLE  
EVP | BROKERAGE

STEVE HEFNER  
MANAGING DIRECTOR | RE INVESTMENTS

MILES HOISINGTON  
VP | BROKERAGE



# TRC RETAIL REPORT | SERVICES

## RETAIL REPORT | DFW

### TEEING IT UP AND LETTING IT FLY

by STEVE ZIMMERMAN, Managing Director | Brokerage



2022 was the most successful year in Dallas | Fort Worth brokerage history based on per broker production, surpassing the record set in 2017. The key to the team’s success was the ability to stay aggressive, read the playing surface and avoid the rough. Clearly the DFW metroplex being our home course has its advantages such as being ranked #1 in job growth in the US adding more than 251,000 more jobs in 2022, as well as, leading the nation in job recovery to pre-pandemic high. DFW is the 4th largest metro area in the US and expected to surpass Chicago to become #3 within the next 10 years and contributes +/- 35% of Texas’s GDP.

However, no one is immune to issues created by macroeconomic factors such as rising interest rates and increased construction costs which have resulted in minimal new retail development. The lack of new supply puts upward pressure on rental rates which is obviously a positive for landlords but a negative for retailers looking to expand in a fiscally responsible manner. Our DFW brokerage team successfully navigated the hazards of the market while consistently landing on the green by completing nearly 500 local transactions for over \$500M in consideration. This includes the 55,000 SF, 15-year Stanley Korshak lease at the Crescent which was recognized by DCEO as the DFW Retail Lease or Project of the Year. Additionally, our team transacted several new sites for the likes of Costco, HEB, Xponential Fitness, Buc-ee’s, Tesla, TopGolf and several new- to-the-market retailers such as Black Sheep Coffee, Good Surf and Voodoo Donuts. TRC’s landlord representation business continues strike it down the fairway as our team added approximately 50 new listings including the high-profile Village on the Parkway, a 10-center portfolio from X-Capital and a 3-center portfolio from Centurion American while continuing to represent institutional owners including Kimco, KITE, Crow Holdings and BH Properties.

Determining the winning shots in 2023 will continue to be challenging and unlike our weekend games, we do not take mulligans. We will rely on our exceptional course knowledge, experience, and team. So far so good...to date, production is up 8.6% from last year’s record level and number of transactions is up 15%. We continue to be blessed with great clients, teammates, and support that we believe will consistently keep TRC atop the leaderboard.

## CONNECTED MANAGEMENT SERVICES | CMS

### GREAT SCORES

by CARLA NEEL, Senior Vice President | CMS




Over the past several years the TRC Property Management team has spent a great deal of time talking to our tenants and owners to determine how their needs have changed post-pandemic. More specifically – what do they want more of, less of, needs, wants. Tenants have their standard operating requirements, but as we have taken on more mixed-use environments, we have seen a broader set of needs and wants.

For us, the mission was two-fold. During the pandemic there was a heightened focus on cost-cutting. We have always been sensitive to operating costs, understanding that tenants look at the gross rent when determining overall costs of their space. We can provide our client with higher returns by continually monitoring the spending and fine-tuning the budget as if it were our own center.

The second part was the tenant experience. Our goal is to always provide the best possible customer experience and to do so we wanted to find out what works for our tenants. These conversations proved beneficial as we discovered that in certain situations where we thought we knew what the tenant wanted, their needs had changed.

Our highlights for 2022 include the opening of our office in the Fort Worth Stockyards, adding a local San Antonio property management team, adding 37 properties and 6 new property management team members to service the 4,375,000 SF of properties now under TRC management.

TRC’S Connected Management is in full swing, scoring big with the landlord, tenant and consumer experiences we are delivering. Looking forward to the course ahead.



### LET’S CONNECT

COME VISIT US AT  
BOOTH 4300 Q STREET

 ANITA EDWARDS ACCOUNTING ASSOCIATE   DFW	 CHRISTINE TREVINO PROPERTY MANAGER   DFW	 DAVID TARANGO SENIOR PROPERTY ACCOUNTANT   DFW	 ENRIQUE RODRIGUEZ JR. SR. ACCOUNTANT   SAN ANTONIO	 ERIC SCHAISSON ASSOCIATE   INVESTMENTS   DFW	 JACQUELYN HENION ANALYST   BROKERAGE   AUSTIN	 JORDAN WALLACE ADMINISTRATIVE PROFESSIONAL   BROKERAGE   HOUSTON	 KATHERINE TYLER ASSISTANT TO THE EXECUTIVE OFFICE   HOUSTON	 KATIE COLLETTI OFFICE ADMINISTRATOR   FWSY	 KENA NICOL GIS ANALYST   DFW	 KRISTEN CLARK EXPERIENCE MANAGER   FWSY
 KRISTEN PROCTOR SR CORPORATE ACCOUNTANT   DFW	 NICOLE OHLINGER RECEPTIONIST   DFW	 PETER RUSSELL EXECUTIVE VICE PRESIDENT   DFW	 REBECCA PRIEST ASSISTANT PROPERTY MANAGER   SAN ANTONIO	 STACEY HANSEN ASSET MANAGER   INVESTMENT   CAS	 SUJA THOMAS HUMAN RESOURCES MANAGER   DFW	<h3>NEW team members</h3>				

## STANLEY KORSHAK | DFW’S BEST RETAIL LEASE OR PROJECT AWARD

Stanley Korshak, premier luxury apparel and accessories retailer in Dallas, is widely considered one of the country’s top-performing privately owned specialty stores. Crawford Brock has owned the store since 2002 after being brought in as President in 1987 when the retailer was owned by oil heiress Caroline Rose Hunt, who bought the brand, founded in Chicago in 1909.

Steve Lieberman and David Fazio of The Retail Connection represented Stanley Korshak in extending and restructuring the complex 55,000 SF lease agreement with John Zogg and Tony Click from Crescent Real Estate Equities. This transaction stands out primarily due to the unique components incorporated in the multifaceted agreement between the Tenant and Landlord, including a creative bridge lease structured in 2020, a period when a third of all department stores in the U.S closed, underpinning the opportunity for this transaction between the iconic store and property to come together—optimally positioning both Stanley Korshak and the Crescent for the future. Most recently, the deal earned **DFW’s 2022 Best Retail Lease or Project Award**.

We had the pleasure of interviewing Crawford Brock of Stanley Korshak for an insightful Q&A session. As a prominent figure in the world of luxury retail, Mr. Brock shared his knowledge and experience, as well as a little about his personal journey and secrets to success.



### Q| How did all this start?

A| I was working for Neiman Marcus in Beverly Hills as the Merchandise Manager when I received a call from the Caroline Hunt Organization asking me if I would consider moving to Dallas to run Stanley Korshak. I joined her in 1987 and with the help of Stanley Marcus as my mentor, I went to work. Things have worked out pretty well and I have been here ever since.

### Q| What is the best business advice you ever received?

A| It was from Stanley and the amazing life experience I had both working with him and when he moved his office over to The Crescent. We had lunch several times a week and talked retail for 18 years. I picked his brain about everything and he instilled in me that “The quality is remembered long after price is forgotten.” .

### Q| Let’s get to your new lease. What was the key to making it happen and what makes it so meaningful to you?

A| That we finally got it done is amazing because there were so many complications and hurdles to get over to get where we are today. For years we had been limited by short term lease extensions and about 20 different amendments, and we could not make the investments necessary to run the store how we wanted to. Now, with a 25 year lease, that is really well structured, we have the runway to make long-term decisions about things we can do to materially effect the store and it is paying off in our revenue explosion.

### Q| What does Dallas’s future look like to you?

A| Dallas’ future is so bright. There are so many people moving to Texas and Dallas, in particular. We are seeing several new and very high-end clients coming into the store every week. We are also fortunate there are five major hotels within 100 yards of us and there are two more coming in the very near future. Nowhere is growing like Dallas, and the quality of this customer is incredible.

# TRC RETAIL REPORT | AREA OFFICES

## RETAIL REPORT | HOUSTON

### FORE INFORMATION

By DAVID STUKALIN, President | Houston



While acknowledging the impact of inflation effects, and the Governments hiking of interest rates, I feel confident that history will not repeat itself regarding previous recessions. A shorter inflationary period, lower rates than in the 80’s, and availability of economic data allows the banks to recognize trends and respond with greater accuracy. Greater Houston created more jobs in the first nine months of 2022 than it creates in a normal year + initial claims for unemployment remain well below pre-pandemic levels. The Greater Houston Partnership predicts the next recession will be short with minimal impact on the local economy. We also anticipate continuing to attract job candidates from other metro areas, which will grow healthcare, education, and government services. That momentum from 2022, Houston’s overall resiliency, will carry us through the next 12 months.

Oil prices have more than doubled from where they were two years ago. While the release of nearly 180 million barrels from the Petroleum Reserve will eventually need to be replaced, boosting domestic production may pose a challenge. Due to several mergers, bankruptcies, and liquidations, there are 500 fewer oil and gas firms operating in Texas today than five years ago. The industry has experienced an exodus of nearly 16,000 workers since

Q1/2017. Energy is one of the sectors that Houston struggles to recoup the jobs lost due to COVID. At the end of 2022, the industry remained 10,000 jobs below pre-pandemic levels.

Houston sits atop of most active retail markets in the U.S for 2023 and we are ranked 2nd in the U.S for most retail space absorbed in the past 12 months. The Bayou City recorded 7.21 million square feet of leasing activity through 2022, outpacing Dallas, New York (which is almost always #1), Los Angeles and Chicago, respectively. During the peak of COVID-19, economists reported “retail is dead,” and to some extent they were right. However, the Houston Retail Market has proven to be the exception to this trend. We are a vibrant and growing city, with a diverse economy and a strong retail market. Houston saw 2.9 million square feet of retail space delivered, the second highest of major metros in the country.

One of the oldest truisms in retail development and growth is that “retail will always follow rooftops.” Many residents are attracted to Houston due to its relatively low cost of living and high disposable income compared to other metros. Although there has been some pullback since mid-2022, Houston’s retail sector remains optimistic due to its prime location, strong population, household growth, and affordability.

Positive trends in leasing and absorption drove annual rent growth to 4.5 percent. For strip centers, rent increased, neighborhood center by 4.9 percent. The Inner Loop River Oaks, West University Submarket, rents are significantly higher than the metro-wide average. Thriving Houston submarkets include fast-growing Montgomery County, the Far Katy North, and Far South, which have the most retail space underway in the MSA. A common trend surrounding new retail development is mixed-use, primarily in affluent suburban areas with strong demographic growth.

One trend that is likely to shape the Houston retail market in 2023 is the increased focus on experiential retail. As consumers become more discerning and selective in their shopping habits, retailers are looking for ways to provide unique and memorable experiences that go beyond traditional shopping.

Growth, jobs, cost of living, and multiple major industries insulated from recession ensure that Houston will remain in the mix of top retail markets across the U.S., even with the country’s challenges in 2023. Overall, while the Houston retail market may face challenges in the coming years, it is likely to remain strong and resilient, with opportunities for growth and innovation.

Finally, the Houston Team ended 2022 in record fashion with the highest gross production in our history. The team completing 25 transactions across the US for TOCA Soccer and locally over 20 deals for Starbucks, and 13 for Jersey Mikes to name a few. Zac Hoffer was named Houston’s #1 Heavy Hitter. And to top off the year, Lasater Miller, Zac Hoffer and Stephen Tou were promoted to Executive Vice President. This recognition is well deserving. I’ve been fortunate to have a front row seat to their many accomplishments and look forward to much fun ahead with the entire Houston Team.

## RETAIL REPORT | AUSTIN

### RECORD SCORES

By LANCE MORRIS, President | Austin



The Austin market continues to ride high on 2021’s record number of corporate expansions and HQ relocations, as we continue to benefit from all the growth that has come with them.

However, we are not immune to the effects of inflation, interest rates and corporate layoffs—particularly in our office and industrial sectors. Our retail market delivered 1.2mm SF in 2022, our lowest annual total ever in recorded market history. However, by all other metrics, our retail market has continued to perform extremely well, including the absorption of 1.6mm SF and maintaining the lowest vacancy rate in the State. Notable openings include H-E-B’s first multi-level store this February and Nebraska Furniture Mart will soon break ground in Cedar Park in a \$400 million complex that will include a 30,000 SF convention center, a 250-room hotel, 250,000 SF of commercial space for tenants, a 500,000 SF NFM store and a 700,000 SF NFM distribution / warehouse. It will be the first NFM with an on-site hotel plus convention center and Texas will be the first state to have two NFM’s.

Carving our own course, TRC’s Connected Development will begin construction on our grocery, home improvement, junior anchored development in Manor, Texas the 1st quarter of 2024.

## RETAIL REPORT | SAN ANTONIO

### SAN ANTONIO HAS GAME

By NICK ALTOMARE, EVP and SHERMAN HINKEBEIN, EVP | San Antonio



We are out of the pandemic trap and retail has swung back in great form. Restaurants, Bars and Health Clubs are in full recovery mode, and the pent-up demand due to isolation is far greater than expected.

San Antonio’s retail vacancy rate is 4.1% (Q4-2022) vs. 4.8% last year (Q4-2021). No new construction of power centers has increased the competition for anchor and junior anchor space. The Class “B” and “C” centers are now being backfilled with health clubs (such as Fitness Connection) and lower-priced discounters (such as Ollie’s).

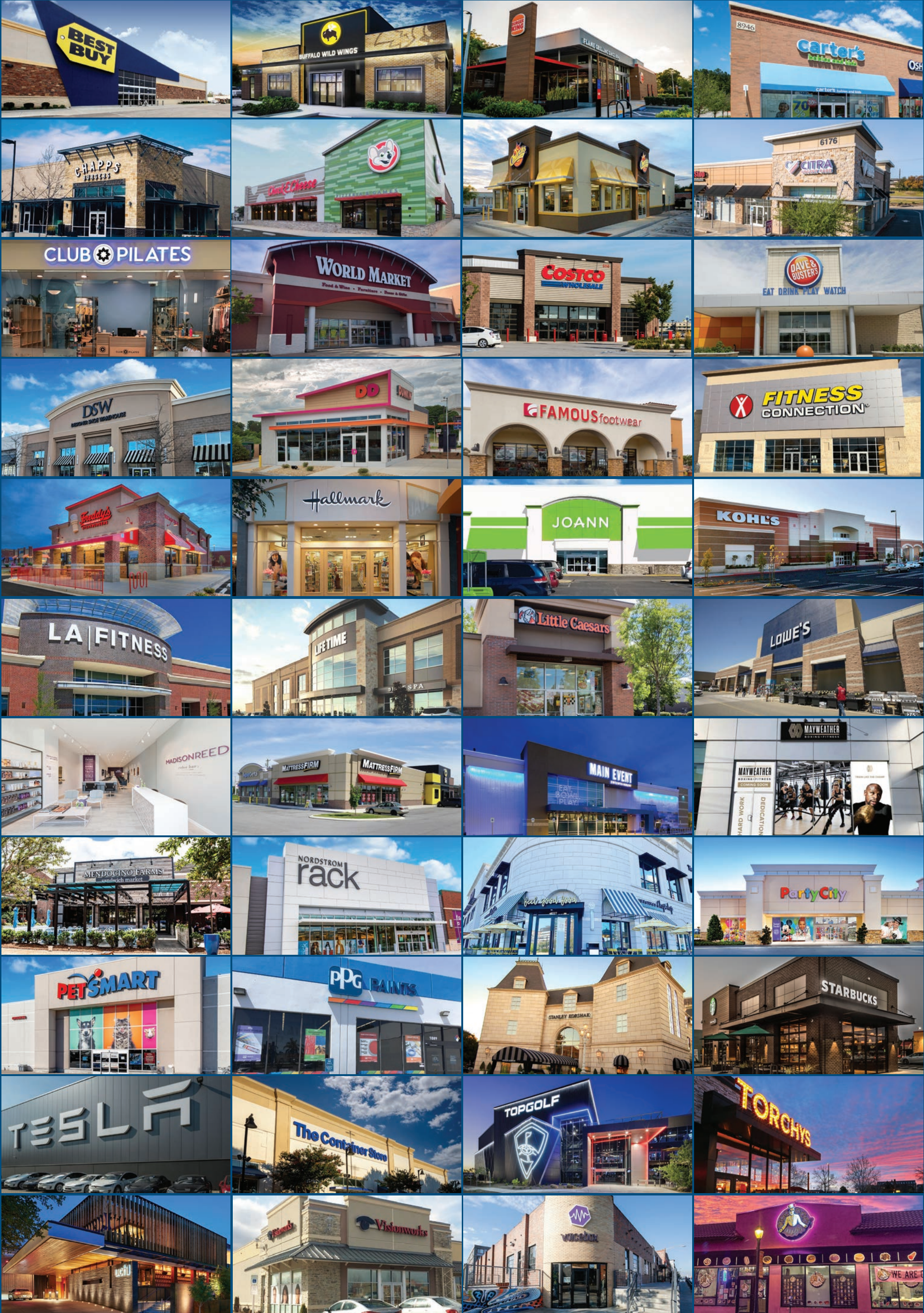
We are continuing to rely on our outstanding market knowledge to provide the best services possible for our clients. We completed 32 transactions in 2022, Our SA property management team now has 31 properties, totaling 1,017,524 SF. Job growth in San Antonio is around 8%, with a 3.2% unemployment rate while Texas is at 3.9%. Capital markets will clearly impact the course ahead, however, our market clearly has game and we are looking forward to the round ahead.





# CONNECTED | RETAILERS

For a complete listing of the 300+ retail chains TRC currently represents, see our website: [theretailconnection.net](http://theretailconnection.net)





# CONNECTED | RETAIL CENTERS

For a complete listing of the 400+ retail centers TRC currently represents, see our website: [theretailconnection.net](http://theretailconnection.net)

### THE SHOPPES AT PARKWEST

KATY, TEXAS





### LAKEPOINTE TOWNE CROSSING

LEWISVILLE, TEXAS





### LAKE PRAIRIE TOWNE CROSSING

GRAND PRAIRIE, TEXAS





### ARLINGTON HIGHLANDS

ARLINGTON, TEXAS





### MANOR CROSSING

MANOR, TEXAS





### VILLAGE ON THE PARKWAY

ADDISON, TEXAS





### KNOX DISTRICT

DALLAS, TEXAS





### DENTON CROSSING

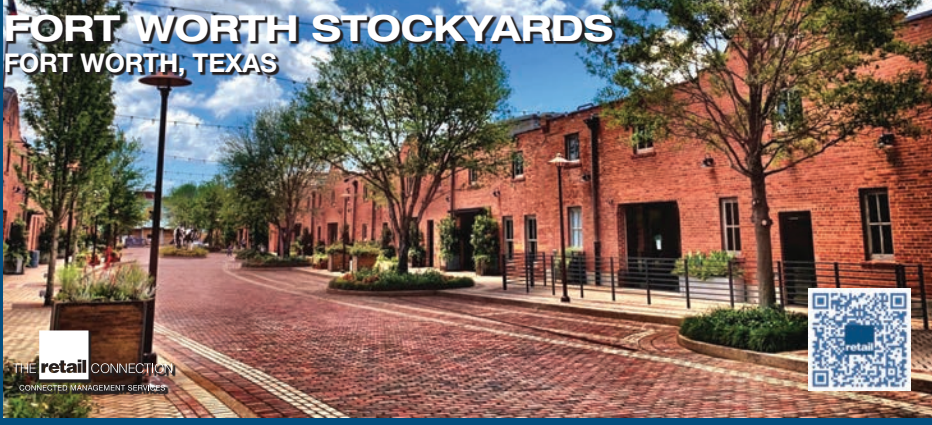
DENTON, TEXAS







### FORT WORTH STOCKYARDS

FORT WORTH, TEXAS





### PRESTON SHEPARD PLACE

PLANO, TEXAS





### THE VILLAGE AT CUMBERLAND PARK

TYLER, TEXAS





### THE MIX

FRISCO, TEXAS







# CONNECTED | TRC INVESTMENT UPDATE

## CONNECTED INVESTMENT SERVICES

### TEED UP AND READY TO GO

by STEVE HEFNER, President | CAS  
MATT WILSON, Managing Director | Real Estate Investments  
CLAY PICKERING | Managing Director | Real Estate Investments  
REL COOPER | Director | Real Estate Investments



Much has happened since last year’s RECON. The Fed had just decided to discontinue its stimulative economic policy and start raising interest rates, which it proceeded to do for ten consecutive meetings (since March 2022), unmatched since the 1980’s. So, as we continue to assess development and acquisition pursuits in the current inflation/interest rate environment, we find ourselves hyper-focused, but patiently on the tee box, as we continue to analyze the terrain and get ready to take our shots as pricing lines up.



Retail is outperforming other real estate investment classes and other than some small-to-moderate pricing adjustments, we are not seeing a material number of distressed situations at this time. That said, the combination of rising interest rates and a locked-up capital market has begun setting the stage for a mild recession, which expect will lead to some great opportunities primarily on the acquisition side as pricing becomes advantageous. On the development side, historically low retail vacancy, very limited new development in recent years and the popularity of public/private partnerships, will be the primary catalysts for ground up development in the near-term.



Market fundamentals remain solid in the retail investment world, the job market continues to be tight with a 3.9% unemployment rate currently and consumer spending remains a primary driver in the current economy. Higher interest rates and inflation will certainly cause cap rates to increase on investments, which will lead to some value deterioration. These situations will certainly lead to value add opportunities for our clients and partners. We would love to reproduce the returns we achieved on our investments during the pandemic -- a 155% IRR and equity multiple (ERM) of 3.04 times our invested dollars. These numbers are certainly scores that we will be shooting for, however we recognize that this IRR was on a unique round and expect that our returns will more likely line up with our blended historical performance of a 38.7% IRR and a 3.17 ERM over the last 19 years.



Assuming the Fed has stopped raising its benchmark rate, we expect to start seeing more compelling investment opportunities emerge in the latter half of this year and well into next year. For the past decade, we have experienced unprecedented levels of investment (especially in retail). It is important to know that peaks, troughs and plateaus are part of a healthy cycle for investment activity. As we enter this next phase of investing through development and acquisition, with our knowledge of the markets and tenants, we will be fully prepared to continue to advance TRC’s Connected Investments platform.

Disruption clearly leads to opportunities, particularly when you have solutions to the challenges, as our investments over the last 19 years have primarily been.

We are ready and prepared for the next round, however mindful that remaining patient on the tee box will give the best shot of landing on the leaderboard at the end of play.

# CONNECTED | TRC INVESTMENT UPDATE

### DEVELOPMENT

ARLINGTON HIGHLANDS | Arlington, TX | 625,600 SF [sold | AEW Capital Management]  
ARLINGTON HIGHLANDS EAST | Arlington, TX | 109,727 SF [sold | AEW Capital Management]  
MANSFIELD POINTE | Mansfield, TX | 157,000 SF [sold | Inland]  
WEATHERFORD RIDGE | Weatherford, TX | 390,000 SF [sold | Dunhill Partners]  
THE VILLAGE AT CUMBERLAND PARK | Tyler, TX | 705,677 SF  
HURRICANE CREEK | Benton, AR | 228,000 SF [sold | Private Buyer]  
THE SHOPPES AT PARKWEST | Katy, TX | Phases 1 & 3: 256,275 SF  
HOBBY LOBBY | Plano, TX | 54,370 SF [sold | Kodiak Lynch]  
PATRON PLAZA | San Antonio, TX | 11,970 SF [sold | Headwall Investments]  
JOSHUA GROVE | Joshua, TX | 5,760 SF [sold | Endeavor Real Estate Group]  
THE SHOPS AT LEW PARK | Balch Springs, TX | 63,455 SF  
DECATUR CROSSROADS | Decatur, TX | 174,000 SF  
TAKE 5 PREFERRED DEVELOPMENTS | Austin & Houston, TX | 1,438 SF [sold | Private Buyer]  
LORO | Dallas, TX | 9,520 SF [sold | Private investor]  
TOP GOLF FLEX | Lafayette, LA | 12 Acres

### RE-DEVELOPMENT

VILLAGE ON THE PARKWAY | 2011 | Addison, TX | 367,000 SF [sold | UBS]  
FORMER TARGET | San Antonio, TX | 119,563 SF [sold | EG Tejas]  
NORTH LOOP SHOPPING CENTER | Longview, TX | 250,000 SF  
SDP | TYLER TORCHYS | Tyler, TX | 6,000 SF [sold | Private investor]  
SHERWIN WILLIAMS | Tyler, TX | 8,000 SF [sold | Merritt Capital]  
HASKELL DEVELOPMENT | Dallas, TX | 9,520 SF [sold | Winhavr]  
4312 LIVE OAK | Dallas, TX | 3,032 SF  
BREEZE HEALTHCARE | Fort Worth, TX | 5,033 SF [sold | Private Buyer]  
WHITE ROCK MARKETPLACE | Dallas, TX | 48,623 SF [sold | A&G Realty Partners]

### ACQUISITION

QUORUM PLAZA | Dallas, TX | 77,800 SF [sold | Westwood Partners]  
SHACKLEFORD CROSSINGS | Little Rock, AR | 316,000 SF  
TOWN CENTRE PLAZA | Mesquite, TX | 94,096 SF [sold | LPC]  
WILLOWBROOK PLAZA | Houston, TX | 384,663 SF [sold | DDR]  
WOODPARK SHOPPING CENTER | Spring, TX | 157,350 SF [sold | Unilev]  
VILLAGE ON THE PARKWAY | 2004 | Addison, TX | 381,000 SF [sold | DRA]  
MILLS POINTE | SEC Trinity Mills & East Marsh Lane | Carrollton, TX | 126,089 SF [sold | HSM]  
HULEN POINTE SHOPPING CENTER | SWC Hulen Street & Oakmont Boulevard | Fort Worth, TX | 174,783 SF [sold]

LAKEPOINTE TOWNE CROSSING | NEC Hebron Parkway & I-35 | 196,630 SF  
LAKEWOOD | Dallas, TX | 8,362 SF  
DRAGNA ON GREENVILLE | Dallas, TX | 9,600 SF [sold | SEB]  
KNOX DISTRICT | Dallas, TX | Redevelopment of 11.32 Acres. Providing additional retail, residential, hotel, and office  
THE ARMSTRONG AT KNOX | Dallas, TX | 165-unit rental community [sold | Madera Residential]

### MERCHANT BANKING

TEAVANA | Atlanta-based high-end retail chain specializing in teas and related merchandise from around the world [IPO 07-2011 NYSE: TEA bought by Starbucks December 2012]  
MERVYN'S HOLDINGS, INC  
REGIONAL MANAGEMENT CORP. | A Greenville, S.C. based small loan retail chain [IPO 03-2012 NYSE: RM]  
MEALEY’S FURNITURE | Philadelphia-based regional furniture chain  
SOVEREIGN BANK | Dallas-based regional bank [sold | Veritex Bank Aug 2017]  
OBSESSION HOLDINGS [PERFUMERIA AND THE FRAGRANCE OUTLET] | Largest national chain of fragrance stores [220] located primarily in regional malls and better outlet centers.  
BAZAAR VOICE | Social network that helps businesses capture, display, share, and analyze customer conversations online [IPO 02-2012 NYSE Symbol: BV]  
EUROPEAN WAX CENTER | 700+ chain of affordable waxing service stores across the U.S. [sold in 2017]  
SUNTEX | Fund focused on purchasing and operating marinas across the U.S.  
REPUBLIC INSURANCE COMPANY | National property and casualty insurance company [sold | AmTrust Financial Series]  
TIFF'S TREATS | Austin-based chain selling fresh-baked cookies  
DIAMOND DIRECT | Charlotte-based fine jewelry chain of stores across the U.S. [sold | Signet Jewelers Ltd.]  
WSS | Hispanic-facing specialty retailer of branded athletic footwear, a multi-unit chain based in Los Angeles [sold | Foot Locker]  
ACUITY EYECARE GROUP | Owns and operates leading North American eyecare shops and optometry practices, with over 335 units and a full-service digital lab  
NEIGHBORHOOD GOODS | Dallas based start-up for a contemporary alternative to the traditional department stores, combining elements of media, pop-up retail, food and beverage, and story-driven commerce  
VOICEBOX ENTERTAINMENT | Multi-unit karaoke entertainment concept with quality food and beverage  
VANDELAY RESTAURANT GROUP | Multiple concepts for restaurant expansion including Hudson House, Drake's and East Hampton  
BLUE JEANS GOLF | Aggregation of golf driving ranges across the U.S. adding technology, food and beverage and other innovative services  
HOME RUN DUGOUT | E ntertainment concept centered around patented protected baseball activities and food and beverage offerings  
GOODSURF, INC. | A vertically integrated surf entertainment concept  
SALON REPUBLIC | The leading salon suites operator with 22 locations in four states

